

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7486

BILL NUMBER: HB 1445

NOTE PREPARED: Jan 13, 2013

BILL AMENDED:

SUBJECT: Landlord Registry.

FIRST AUTHOR: Rep. Moed

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

It requires each municipality to adopt an ordinance requiring the annual registration of owners of one- or two-family residential rental property beginning April 1, 2016.

It requires an owner of such residential rental property to designate for each such rental property a local agent who is physically located in Indiana. It also provides that the local agent is responsible for operating the rental property in compliance with all applicable laws and ordinances, providing access to rental premises for inspections necessary to ensure compliance with the applicable laws and ordinances, maintaining a current list of the names and contact numbers of the tenants of each rental unit for which the local agent is responsible, and accepting all legal notices or service of process with respect to the rental property.

The bill provides that an owner of a rental property who fails to register or update a registration commits a Class C infraction for each month that the owner has failed to register or update a registration.

It provides that the ordinance adopted by the municipality may provide that: (1) the maximum judgment for violation of the ordinance is lower than the statutorily prescribed maximum for a Class C infraction; and (2) money collected from violations may be deposited in a fund of the municipality specified in the ordinance.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues: The state General Fund and other dedicated funds receive a share of court fees. The amount of court fees that may be generated is unknown and would not occur until after April 2016.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill establishes a Class C infraction for violations of an ordinance concerning registering and updating the registration of a rental property. The infraction judgement maximum is \$500 and the fine may apply for a violation each month. The revenue from the judgement would be deposited in a fund of the municipality adopting the ordinance.

In addition, if additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Persons found guilty of a felony or misdemeanor are also required to pay the following fees that are deposited in local funds: the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.